GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3980
ANSWERED ON:18.04.2002
OUTSTANDING DUES OF SEBS TOWARDS CPSU
A. VENKATESH NAIK;BASANGOUDA PATIL;C. SREENIVAASAN;M.V.V.S MURTHI;NARESH KUMAR PUGLIA;RAMSHETH THAKUR;SHYAMA SINGH;THAAWAR CHAND GEHLOT

Will the Minister of POWER be pleased to state:

(a) the total outstanding dues and surcharge the States Electricity Boards owe to theCentral Sector Power Corporations/companies as on March 31, 2002, State-wise;

(b) whether the Union Government have made it mandatory for all SEBs to eitherclear the outstanding dues or face the tough measures by Central Power Companies including stoppage of supply of electricity;

(c) if so, whether the Union Government have recently approved a new scheme to clear the huge dues;

(d) if so, the details thereof;

(e) whether the Government have received any response from the State Governments in this regard;

(f) the time by which all the dues are likely to be recovered; and

(g) the details of any policy of the Government not to create such situation in future?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Presently, details of the total outstanding dues and surcharge that the State Electricity Boards owe to the Central Sector Power Corporations/companies are available upto 28.02.2002. The details are given at Annex-I.

(b) to (d) & (f) & (g) : The Government of India has recently approved a scheme to securitise the outstanding dues payable by the State Electricity Boards (SEBs) to theCentral Public Sector Undertakings (CPSUs) as on 30.09.2001 for supply of power andcoal and a mechanism that would ensure payment of current dues in future. The scheme for securitisation of outstanding dues of SEBs as on 28-02-2001 was circulated earlier to the States on 3rd August, 2001.

The salient features of the scheme, now approved, are:

1) The scheme would come into force from the date of order or from the date when the State Governments sign the tripartite agreement (with the Ministry of Finance in the Government of India and the Reserve Bank of India), whichever is later.

2) For the states participating in the scheme, 60% of the interest/surcharge on the delayed payments as on 30-09-2001 would be waived off.

3) The rest of the dues amounting to the full principal amount as well as the remaining 40% of the interest/surcharge should be securitised through bonds issued by the respective State Governments.

4) The bonds should be issued through RBI at a tax-free interest rate of 8.5% perannum. The terms of bonds should be structured to achieve a moratorium of 5 years on repayment of principal with the entire principal being repaid between the 6th and 15th year. These bonds should be identical to bonds issued in connection with the market borrowings of State Governments, with the attendant discipline in repayments. The bonds will be subject to lock-in restrictions that will allow release of only 10 per cent of the bonds in the secondary market each year.

5) For ensuring timely payment of current dues in future, defaults in current payment for power/fuel should attract a graded reduction in the supply of power from central power stations and in coal supplies. Where such defaults exceed 90 days from the date of billing, the Ministry of Finance should recover these dues through adjustment against releases due to them from the centre.

6) In order to initiate steps towards reform of the sector, the SEBsshould accept reform based performance milestones such as setting up of SERCs, metering of distribution feeders, improvement in revenue realization specified in the MOUs tobe signed with the Ministry of Power.

7) The States should be offered incentives for complying with the scheme. If SEBs do not default on their current dues and adhere to the performance milestones, CPSUs should pay them, bi-annual cash incentives equal to 3 per cent of the value of bonds in the first year, 2.5% in the second year and 2% in the third and fourth years. Further, if SEBs open and maintain Letters of Credit (LCs), CPSUs should pay them a one time cash incentive equal to 2 per cent of the value of bonds. In addition, States undertaking reforms should also be assisted through Accelerated Power Development and Reform Programme (APDRP) grants and discretionary allocation of power.

8) The States that withhold their consent beyond 60 days after this scheme enters into force will be denied any share in the discretionary allocation of 15 per cent from the power stations of CPSUs, as well as any assistance under APRDP. If the overdues of such States exceeded Rs 50 crore in respect of any CPSUs, they should also attract reduction in power and coal supplies, as applicable to the States participating in this scheme.

9) Outstanding dues as on 30.09.2001 would form the basis of the one time settlement. Dues that accrue after this date would not form part of the scheme. Individual CPSUs & States can consider exchanging bonds for the outstanding.

10) The scheme covers the outstanding dues of payable by the SEBs to the National Thermal Power Corporation (NTPC), National Hydro-electric Power Corporation (NHPC), North Eastern Power Corporation (NEEPCO), Damodar Valley Corporation (DVC) and Power Grid Corporation of India Ltd. (PGCIL) under the Ministry of Power, Coal India Limited (CIL) & its subsidiaries and Neyveli Lignite Corporation (NLC) under the Department of Coal, Nuclear Power Corporation (NPC) under the Department of Atomic Energy and the Ministry of Railways.

(e) : The State Governments had been apprised of the scheme for one-time settlement of SEBs dues on 03-08-2001. Andhra Pradesh and West Bengal have signed the tripartite agreement. The following States have given their consent `in-principle` to sign the agreement:

(1) Chhattisgarh (2) Haryana

(3) Jammu & Kashmir (4) Kerala

(5) Karnataka (6) Madhya Pradesh

(7) Maharashtra (8) Punjab

ANNEX-I

ANNEX REFERRED TO IN REPLY TO PART (a) OF UNSTARRED QUESTION NO.3980 TO BE ANSWERED IN THE LOK SABHA ON 18.4.2002.

OUTSTANDING DUES (INDICATIVE) PAYABLE BY SEBs TO CENTRAL PUBLIC SECTOR UNDERTAKINGS

(PRINCIPAL & SURCHARGE)

(Rs. in crores)

Sl. No.	SEBs/STATES	NTPC			NHPC			PGCIL			NEEPCO		
		PRIN	INTT	TOTAL	PRIN	INTT	TOTAL	PRIN	INTT	TOTAL	PRIN	INTT	TOTAL
1	Andhra Pr.	185.34	170.07	355.41	0.00	0.00	0.00	12.30	0.40	12.70	0.00	0.00	0.00
2	Arunachal Pr.	0.00	0.00	0.00	1.54	0.69	2.23	4.20	2.00	6.20	17.30	4.13	21.43
3	Assam	61.30	27.72	89.02	2.06	0.11	2.17	143.50	49.20	192.70	570.89	284.08	854.97
4	Bihar	1279.63	943.15	2222.78	14.12	22.83	36.95	201.80	67.10	268.90	0.00	0.00	0.00
5	Gujarat	372.95	30.08	403.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Goa	0.06	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	HVPNL (HSEB)	361.00	312.32	673.32	84.59	510.91	595.50	6.20	21.90	28.10	0.00	0.00	0.00
8	Himachal Pra.	22.28	22.75	45.03	38.39	40.98	79.37	0.00	0.40	0.40	0.00	0.00	0.00
9	J&K	134.30	14.15	148.45	70.21	5.79	76.00	133.40	65.10	198.50	0.00	0.00	0.00
10	Karnataka	179.30	131.61	310.91	0.00	0.00	0.00	11.80	20.40	32.20	0.00	0.00	0.00
11	Kerala	902.62	212.10	1114.72	0.00	0.00	0.00	13.30	6.90	20.20	0.00	0.00	0.00
12	M.P.	1429.36	487.98	1917.34	0.00	0.00	0.00	43.70	17.40	61.10	0.00	0.00	0.00
13	Maharashtra	433.60	310.68	744.28	0.00	0.00	0.00	6.20	0.00	6.20	0.00	0.00	0.00
14	Manipur	0.00	0.00	0.00	16.47	9.95	26.42	28.00	10.80	38.80	106.71	41.77	148.48
15	Meghalaya	0.00	0.00	0.00	0.26	1.33	1.59	0.60	1.10	1.70	16.82	2.72	19.54
16	Mizoram	0.00	0.00	0.00	6.14	2.01	8.15	0.00	0.00	0.00	40.51	7.93	48.44
17	Nagaland	0.00	0.00	0.00	5.45	3.63	9.08	10.40	6.10	16.50	51.07	23.49	74.56
18	Orissa (GRIDCO)	753.70	225.91	979.61	6.80	11.75	18.55	2.80	0.60	3.40	0.00	0.00	0.00

19	Punjab	322.64	53.79	376.43	137.58	198.52	336.10	7.50	1.90	9.40	0.00	0.00	0.00
20	Rajasthan	292.33	47.58	339.91	58.39	10.00	68.39	39.30	0.00	39.30	0.00	0.00	0.00
21	Sikkim	29.38	18.03	47.41	1.89	0.26	2.15	9.60	5.20	14.80	0.00	0.00	0.00
22	Tamil Nadu	375.61	214.50	590.11	0.00	0.00	0.00	13.90	0.00	13.90	0.00	0.00	0.00
23	Tripura	0.00	0.00	0.00	1.93	1.55	3.48	1.00	0.10	1.10	55.98	10.59	66.57
24	U.P.	2965.36	1075.91	4041.27	271.41	33.23	304.64	108.40	28.00	136.40	0.00	0.00	0.00
25	WBSEB	863.06	804.44	1667.50	10.80	7.36	18.16	55.70	32.40	88.10	0.00	0.00	0.00
26	DVB (DESU)	1665.86	1810.24	3476.10	288.18	326.99	615.17	116.20	71.60	187.80	0.00	0.00	0.00
27	DVC	259.96	521.39	781.35	0.00	0.00	0.00	0.00	3.90	3.90	0.00	0.00	0.00
28	DNH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Chandigarh (UT)	0.33	0.00	0.33	6.90	6.63	13.53	0.30	0.00	0.30	0.00	0.00	0.00
30	NEEPCO	0.00	0.00	0.00	0.92	7.75	8.67	0.00	0.00	0.00	0.00	0.00	0.00
31	Daman & Diu	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	Pondicherry	22.31	19.26	41.57	0.00	0.00	0.00	0.20	1.50	1.70	0.00	0.00	0.00
33	Cooperatives	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
34	State Govts.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	Power Grid	0.57	3.25	3.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36	Other (Wind)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Private(JPHPCL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Railways	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	MEA (Power to Nepal)	0.00	0.00	0.00	6.67	0.00	6.67	0.00	0.00	0.00	0.00	0.00	0.00
40	Chattisgarh (CSEB)	149.69	120.27	269.96	0.00	0.00	0.00	0.90	0.00	0.90	0.00	0.00	0.00
41	Jharkhand(JSEB)	1031.75	795.37	1827.12	3.64	0.00	3.64	33.00	0.60	33.60	0.00	0.00	0.00
42	Uttaranchal	270.66	113.43	384.09	0.26	0.00	0.26	0.40	0.00	0.40	0.00	0.00	0.00
TOTAL		14364.95	8486.00	22850.95	1034.60	1202.27	2236.87	1004.60	414.60	1419.20	859.28	374.71	1233.99

OUTSTANDING DUES (INDICATIVE) PAYABLE BY SEBs TO CENTRAL PUBLIC SECTOR UNDERTAKINGS

(PRINCIPAL & SURCHARGE)

Rs. In (Crore)

Sl. No.	SEBs/STATES	PFC			DVC			REC		
		PRIN	INTT	TOTAL	PRIN	INTT	TOTAL	PRIN	INTT	TOTAL
1	Andhra Pradesh	0.24	0.00	0.24	0.30	0.00	0.30	0.00	0.00	0.00
2	Arunachal Pra.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01
3	Assam	1.17	0.00	1.17	1.70	0.00	1.70	59.85	147.96	207.81
4	Bihar	51.04	0.00	51.04	287.58	693.74	981.32	144.37	309.98	454.35
5	Gujarat	0.04	0.00	0.04	0.00	0.00	0.00	22.17	1.87	24.04
6	Goa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.03
7	HVPNL (HSEB)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Himachal Pra.	0.27	0.00	0.27	0.00	0.00	0.00	0.04	0.01	0.05
9	J&k	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.06	0.26
10	Karnataka	0.00	0.00	0.00	0.00	0.00	0.00	4.83	1.05	5.88
11	Kerala	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.01	0.21
12	M.P.	125.71	0.00	125.71	0.00	0.00	0.00	849.86	782.87	1632.73
13	Maharashtra	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Manipur	0.00	0.00	0.00	0.00	0.00	0.00	3.28	0.42	3.70
15	Meghalaya	0.00	0.00	0.00	0.00	0.00	0.00	11.71	19.71	31.42
16	Mizoram	1.18	0.00	1.18	0.00	0.00	0.00	4.13	9.36	13.49
17	Nagaland	0.16	0.00	0.16	0.00	0.00	0.00	0.35	0.01	0.36
18	Orissa (GRIDCO)	0.20	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00
19	Punjab	50.00	0.00	50.00	0.00	0.00	0.00	0.00	0.28	0.28
20	Rajasthan	0.10	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00
21	Sikkim	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Tamil Nadu	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.24	1.24
23	Tripura	0.00	0.00	0.00	0.00	0.00	0.00	2.90	5.61	8.51
24	U.P.	0.00	0.00	0.00	0.00	0.00	0.00	433.92	541.66	975.58
25	WBSEB	0.05	0.00	0.05	417.94	509.56	927.50	160.53	375.31	535.84
26	DVB (DESU)	4.93	0.00	4.93	0.00	0.00	0.00	0.00	0.00	0.00
27	DVC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	DNH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Chandigarh (UT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	NEEPCO	1.68	0.00	1.68	0.00	0.00	0.00	0.00	0.00	0.00
31	Daman & Diu	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

32	Pondicherry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	Cooperatives	0.00	0.00	0.00	0.00	0.00	0.00	14.29	27.17	41.46
34	State Govts.	0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.08	0.32
35	Power Grid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36	Other (Wind)	0.00	0.00	0.00	0.00	0.00	0.00	13.49	21.62	35.11
37	Private +	47.24	0.00	47.24	0.00	0.00	0.00	0.00	0.00	0.00
38	Railways	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	MEA (Power to Nepal)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Chattisgarh (CSEB)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41	Jharkhand(JSEB)	0.00	0.00	0.00	556.23	600.77	1157.00	0.00	0.00	0.00
42	Uttaranchal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL	284.01	0.00	284.01	1263.75	1804.07	3067.82	1726.36	2246.32	3972.68

+ Private - JPHPCL, MALANA PCL, SANGHI INDUST, SHRI MAHESHWAR, BALAJI PCL.

OUTSTANDING DUES (indicative) PAYABLE BY SEBs TO CENTRAL PUBLIC SECTOR UNDERTAKINGS

(INCLUDING SURCHARGE)

(Rs. In crore)

Name of PSUs	PRINCIPAL	SURCHARGE	TOTAL
NTPC	14364.95	8486.00	22850.95
NHPC	1034.60	1202.27	2236.87
PGCIL	1004.60	414.60	1419.20
NEEPCO	859.28	374.71	1233.99
PFC	284.01	0.00	284.01
DVC	1263.75	1804.07	3067.82
REC	1726.36	2246.32	3972.68
TOTAL	20537.55	14527.97	35065.52